

## **Assembly Bill No. 483**

### **CHAPTER 275**

An act to amend Section 50675.14 of the Health and Safety Code, relating to housing.

[Approved by Governor September 7, 2011. Filed with  
Secretary of State September 7, 2011.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 483, Torres. Housing finance.

Existing law establishes the Multifamily Housing Program under the administration of the Department of Housing and Community Development to provide a standardized set of program rules and features applicable to all housing types based on the department's California Housing Rehabilitation Program. Under the Housing and Emergency Shelter Trust Fund Act of 2002, \$195,000,000 is to be expended for supportive housing projects under the Multifamily Housing Program. Existing law establishes priority criteria for housing projects and requires that a borrower of program funds include specified data in an annual report to the department. Existing law authorizes the department take specified action to provide and maintain rents that are affordable to the target population, as defined.

This bill would modify the definition of the term "target population" and make several changes to the information a borrower may include in his or her annual report. The bill would also impose new requirements with respect to the populations served by the supportive housing program.

*The people of the State of California do enact as follows:*

**SECTION 1.** The Legislature finds and declares all of the following:

(a) Over 133,000 Californians sleep on the streets or in shelters on any given night; over 390,000 Californians, or over one in 95 Californians, are homeless during the course of a year.

(b) Due to California's increased unemployment, poverty, and foreclosure rates, as well as continuing high rental housing cost burdens, homelessness is increasing in California, particularly in the number of Californians experiencing chronic homelessness. Based on counts of homeless people in communities across California, California's homeless population grew by 3.4 percent between 2008 and 2009. During this period, California's population of chronically homeless individuals increased by 10.8 percent, while the number of chronically homeless people nationwide increased by less than 1 percent.

(c) Chronically homeless people face significant barriers to housing stability, and often ricochet through expensive public systems, including overburdened corrections systems, overcrowded hospital emergency rooms, mental health programs, substance abuse treatment and detox facilities, shelters, and emergency housing. As a result, people experiencing chronic homelessness or other significant barriers to housing stability use a disproportionate share of state and local services.

(d) Almost 20 years of data demonstrate that chronically homeless people, including those with severe substance abuse disorders, can live stable lives if supplied with housing and the services they need to stabilize their health and housing status. The evidence shows that making these services available works to end homelessness and that, for people experiencing long-term homelessness with substance abuse and mental health or chronic medical conditions, these service provisions are virtually cost-neutral.

(e) People who are homeless for long periods often cycle through institutional systems, shelters, and the streets, and may not meet the strict definition of chronic homelessness as a result. Data suggests these individuals will face significant barriers to accessing and maintaining stable housing. In fact, people exiting institutional systems have high rates of homelessness. Forty-three percent of people arrested who experience mental disorders were homeless when committing the crime for which they were arrested.

(f) Homeless transition-age youth may not be able to meet the definition of chronic homelessness because of their age but still face barriers to housing stability and require supportive services. Evidence demonstrates that this population is highly vulnerable to chronic homelessness.

(g) Targeting newly created supportive housing to people facing significant barriers to housing stability, such as chronic homelessness, has decreased the number of people experiencing chronic homelessness in communities across California and the country.

(h) While supportive housing is beneficial to many people at risk of homelessness and to people experiencing short-term homelessness, research indicates housing affordable to people at risk is sufficient to prevent or end homelessness.

SEC. 2. Section 50675.14 of the Health and Safety Code is amended to read:

50675.14. (a) This section shall apply only to projects funded with funds appropriated for supportive housing projects.

(b) For purposes of this section the following terms have the following meanings:

(1) “May restrict occupancy to persons with veteran status” means that the sponsor may limit occupancy to persons meeting the criteria of paragraphs (1) and (2) of subdivision (h) with respect to either of the following:

(A) Any unit in the development that has not been previously occupied.

(B) Any unit in the development that subsequently becomes vacant, for a period of not more than 120 days following the vacancy.

(2) “Supportive housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

(3) (A) “Target population” means persons, including persons with disabilities, and families who are “homeless,” as that term is defined by Section 11302 of Title 42 of the United States Code, or who are “homeless youth,” as that term is defined by paragraph (2) of subdivision (e) of Section 11139.3 of the Government Code.

(B) Individuals and families currently residing in supportive housing meet the definition of “target population” if the individual or family was “homeless,” as that term is defined by Section 11302 of Title 42 of the United States Code, when approved for tenancy in the supportive housing project in which they currently reside.

(c) (1) The department shall ensure that at least 40 percent of the units in each development funded under the supportive housing program are targeted to one or more of the following populations:

(A) Individuals or families experiencing “chronic homelessness,” as defined by the United States Department of Housing and Urban Development’s Super Notice of Funding Availability for Continuum of Care or Collaborative Applicant Program.

(B) “Homeless youth,” as that term is defined by paragraph (2) of subdivision (e) of Section 11139.3 of the Government Code.

(C) Individuals exiting institutional settings, including, but not limited to, jails, hospitals, prisons, and institutes of mental disease, who were homeless when entering the institutional setting, who have a disability, and who resided in that setting for a period of not less than 15 days.

(2) The department may decrease the number of units required to meet the criteria identified in paragraph (1) if the department determines that the program is undersubscribed after issuing at least one Notice of Funding Availability.

(3) Individuals and families currently residing in supportive housing meet the qualifications under this subdivision if the individual or family met any of the criteria specified in subparagraph (A), (B), or (C) of paragraph (1) when approved for tenancy in the supportive housing project in which they currently reside.

(d) Supportive housing projects shall provide or demonstrate collaboration with programs that provide services that meet the needs of the supportive housing residents.

(e) The criteria, established by the department, for selecting supportive housing projects shall give priority to supportive housing projects that include a focus on measurable outcomes and a plan for evaluation, which evaluation shall be submitted by the borrowers, annually, to the department.

(f) The department may provide higher per-unit loan limits as reasonably necessary to provide and maintain rents that are affordable to the target population.

(g) In an evaluation or ranking of a borrower's development and ownership experience, the department shall consider experience acquired in the prior 10 years.

(h) (1) A borrower shall, beginning the second year after supportive housing project occupancy, include the following data in his or her annual report to the department. However, a borrower who submits an annual evaluation pursuant to subdivision (c) may, instead, include this information in the evaluation:

(A) The length of occupancy by each supportive housing resident for the period covered by the report and, if the resident has moved, the reason for the move and the type of housing to which the resident moved, if known.

(B) Changes in each supportive housing resident's employment status during the previous year.

(C) Changes in each supportive housing resident's source and amount of income during the previous year.

(D) The tenant's housing status prior to occupancy, including the term of the tenant's homelessness.

(2) The department shall include aggregate data with respect to the supportive housing projects described in this section in the report that it submits to the Legislature pursuant to Section 50675.12.

(i) The department shall consider, commencing in the second year of the funding, the feasibility and appropriateness of modifying its regulations to increase the use of funds by small projects. In doing this, the department shall consider its operational needs and prior history of funding supportive housing facilities.

(j) Notwithstanding any other provision of law, the sponsor of a supportive housing development may restrict occupancy to persons with veteran status if all the following conditions apply:

(1) The veterans possess significant barriers to social reintegration and employment that require specialized treatment and services that are due to a physical or mental disability, substance abuse, or the effects of long-term homelessness.

(2) The veterans are otherwise eligible to reside in an assisted unit.

(3) The sponsor also provides, or assists in providing, the specialized treatment and services.

SEC. 3. The changes made by this act shall apply only to Notices of Funding Availability issued on or after January 1, 2012.